

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, DECEMBER 15, 2014**

1. Opening of Meeting

The meeting was convened by Chairman Turner at 7:05 p.m.

2. Roll Call

Members Present: Chair. Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger, Bessner, and Lewis

Absent:

3. Omnibus Vote

Budget Revisions – November 2014.

Motion by Ald. Stellato, second by Silkaitis to approve the omnibus items as presented.

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

4. Inventory Control Division

- a. Recommendation to approve a Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to Approve the Award of a 2015 Ford F-550 Chassis XL, with Dueco Aerial Lift to Currie Motors Fleet and Sell/Trade-in Replaced 2000 Ford F-450 SD Vehicle #1707.**

Mike Shortall: I'm seeking approval on behalf of the Public Works Department to purchase a 2015 Ford F-550 chassis through Currie Motors who is part of the cooperative in conjunction with Dueco Equipment who will provide an aerial lift for this piece of equipment. I did seek a quote through a local vendor, Zimmerman Ford, and though their quote was pretty competitive, the experience of Dueco and Currie Motors have together in building this type of equipment would benefit the City. This item was approved at budget and also approved through the City Fleet Committee. I am also seeking approval to trade or sell the replacement vehicle #1707 which is a 2000 Ford F-450 with an aerial device.

Motion by Ald. Stellato, second by Silkaitis to recommend approval of a Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to Approve the Award of a 2015 Ford F-550 Chassis XL, with Dueco Aerial Lift to Currie Motors Fleet and Sell/Trade-in Replaced 2000 Ford F-450 SD Vehicle #1707.

Roll Call: Ayes: Krieger, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion Carried.**

5. Finance Department

a. Presentation update regarding City's Financial Results for October 2014 – Information Only.

Julie Herr: We are half way into the fiscal year and have results for October 31, 2014. General Fund revenues are forecasted to be slightly below budget, but there are some positives to point out. The City's largest revenue stream, sales and use tax is trending 6.3% above prior year to date and 1.7% above budget. Alcohol tax is also coming in ahead of last year's results and above budget. Hotel tax revenue and Electric franchise fees are ahead of prior year results but are still below budgeted expectations; and on the downside we still continue to see a decline on communication tax revenues and state income tax revenues. Expenditures are currently trending below the revised budget by 2.1% and as of October 31 the General Fund is projected to the end of the year with a deficit of \$776K. This just compare to a projected deficit of \$918K at the time the budget was adopted. There is some improvement as far as the deficit goes, but keep in mind we still have the rest of the fiscal year (6 months) to go. If the weather keeps up the way it has, we might see some savings regarding some overtime.

Electric Fund: Electric sales as of the end of October are 2.5% ahead of last year's results, but are 2.6% below budget. The main reason is the summer we experienced; we did not have the consumption that we calculated when we did the budget. There is an increase compared to last year but that is contributable to the fact of the rate increase. However on the plus side, operation expenses are projected to be slightly below budgeted amount for the year as well. As of the end of October, we are projecting a cash basis deficit of almost \$1.1M. This compares to a budgeted deficit of about \$247K at the time the budget was adopted; again the main culprit of the revenues that we did not experience was because of the mild summer.

It's much the same in the Water and Wastewater Funds. Year-to-date revenues are higher than last year, but again that is contributed to the rate increases that were approved. This also impacted the projected deficit that we are showing at the end of October, but we still have six more months to turn this around.

Ald. Lemke: The graph that shows the difference in the Water Fund, is that due to likewise of the summer with less water being needed?

Julie: Yes.

Chrmn. Turner: You mentioned we were behind or is it the State that's behind on the income tax distribution?

Julie: It's not state causing it, they are always a couple of months behind because of the length of time it takes them to process. We did experience last year a really good year for state income tax collections and we were hoping that trend would continue, but unfortunately it did not and we are experiencing a slight decrease because revenues are not where we projected them to be. It's not a matter of the state being behind because of their disbursements. We haven't heard any information as to why that is.

Chrmn. Turner: On a positive note, it's good to see the sales tax above projections and we haven't gotten into the holiday buying season yet.

b. Recommendation to approve an Ordinance Authorizing the Issue of General Obligation Corporate Purpose Bonds of the City of St. Charles.

Julie Herr: We are requesting approval of a bond ordinance for FY14/15 capital projects that we have selected to be bonded this year. We do this every year and start this process in late fall. We are anticipating these bonds which we are calculating to be no more than \$2.6M, but the ordinance does cover up to \$3M to cover any potential increases such as bond issue costs, etc. The project we've slated is to be bonded roughly between \$2.3 - \$2.4M. Chapman Cutler has prepared a draft ordinance and we asking approval for that at the next City Council meeting.

Chrmn. Turner: This is pretty nebulous in a way, like street improvement, parking lot improvements, building improvements; is there anything specific that you have lined up here?

Julie: For the parking lot, obviously, is one of the items we anticipated to be bonded, as well as the Tyler Road/Rt. 64 to Kirk Road project, and also within the Electric Fund there is \$1.2M in projects including the major one of replacement of the substation transformer 3T2 which is \$800K of itself.

Motion by Ald. Stellato, second by Bessner to recommend approval of an Ordinance Authorizing the Issue of General Obligation Corporate Purpose Bonds of the City of St. Charles.

Roll Call: Ayes: Krieger, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion Carried.**

6. Executive Session - None

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

7. Additional Items from Mayor, Council, Staff or Citizens.

None.

8. Adjournment

Motion by Ald. Stellato, second by Bessner to adjourn meeting at 7:17 p.m.

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**